



Republican Policy Committee

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Last Chance: Can The President Deliver The Votes?

A Balanced Budget Amendment: Americans Have Earned That Guarantee

"... The American people have an absolute right to know how we plan to fulfill the promise of a balanced budget before they are called upon to ratify it."

Senator Daschle on the Senate floor, February 16, 1995

Senator Daschle charged that support for a balanced budget amendment requires also showing America how a balanced budget will be achieved. The Majority in Congress produced the first real balanced budget in 26 years in 1995, it was vetoed by President Clinton. In 1996, the Majority in Congress has again produced a budget resolution that achieves balance in 2002. President Clinton still opposes this common-sense change.

President Clinton's opposition to balancing the budget makes the imperative for a balanced budget constitutional amendment even more urgent in 1996. *Americans must be assured that their needs will rise above those of Washington*, and be given the rock-solid guarantee that only a balanced budget amendment can provide: their futures and their children's futures will not continue to be mortgaged by wasteful Washington spending.

What a Balanced Budget Means for America

During the next six years, the Congressional balanced budget plan would add to the U.S. economy \$32 billion in real disposable income, \$66 billion in new purchases, \$88 billion in new investment, and over 100,000 new housing starts.

- A balanced budget yields new job opportunities, up to 6.1 million new jobs, with the confidence and assurance that real work with real wages brings.

With a balanced budget Americans can expect to save:

- ▶ **\$2,388** a year in mortgage payments on a house with a \$75,000, 30-year mortgage.
- ▶ **\$1,026** over the life of a 4-year loan on a car worth \$15,000.
- ▶ **\$1,891** over the life of a 10-year student loan of \$11,000.
- ▶ **\$74,381** over the lives of all these loans.

What More Washington Spending Means for America

This year, America's debt exceeded the **\$5 trillion** mark — that's \$5,000,000,000,000.

- Left alone, the Medicare system currently runs in the red and goes bankrupt in 2001. The Social Security system, if left alone, will begin to pay out more in benefits than it takes in in taxes in 2013, running in the red.
- As alarming, according to the bipartisan Entitlement Commission, by 2015 spending on just four entitlement programs and interest on the national debt will crowd out all other federal spending. That means no national defense, no national parks, no protection against dirty water and tainted meat, and so on.
- Every child born today will pay \$187,000 in taxes just to underwrite his or her share of interest on the federal debt. Over their lifetime, they'll face a tax burden of 84 percent, just to pay all of our bills. In 1994, every American paid an average of about \$800 in taxes just to service interest on the debt.
- The Concord Coalition reports that debt and deficit spending has lowered the income of American families by an average of \$15,000 a year.

Without a balanced budget:

- ▶ We can expect **interest rates to increase**.
- ▶ These increases will cost the average American family **\$979 more per year** on their home mortgages, student loans, and car loans, and **\$1,500 in future taxes** to pay for the extra \$100 billion in annual interest payments on new federal debt.

Can President Clinton Deliver the Votes for a Balanced Budget Amendment?

A balanced budget would free America from the paralyzing effects of crushing debt that squeezes the federal budget ever more tightly. The cost of interest on the federal debt has grown dramatically, so that this year, **we'll spend more on our interest payments than on the national defense**. The debt takes money away from investments in the private sector, slows the start-up of new small businesses which are the job-creating engine of the nation, and slowly sucks away our competitiveness, our standard of living, our future.

In June, the Minority party in the Senate and the President will have another chance to deliver the balanced budget amendment to the American people. Will they meet this important challenge?

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